Labour Market Notes

Strong finish to 2017

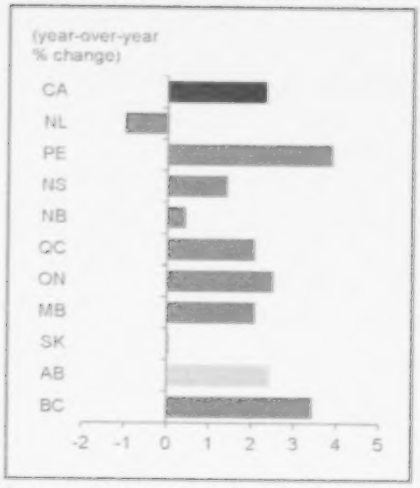
Alberta

- Employment jumps to a new high. Alberta added 26,300 jobs in December, the largest monthly gain since June 2011. Employment increased for the third month in a row, surpassing the pre-recession peak.
- Year-over-year job growth accelerates. With the monthly gain, employment has increased by 54,900 or 2.4% year-over-year. This was slightly higher than the Canadian rate of 2.3%.
- Unemployment rate falls to 26-month low. With the strong employment gains, the unemployment rate declined for the fourth month in a row. It decreased by 0.4 percentage points to 6.9% in December, the lowest level since October 2015.
- Participation rate moves up. After falling to a 16-year low, the labour force participation increased 0.6 percentage points to 72.5%.
- Private sector gaining ground. Employment in the private sector (+9,900) rose for the third consecutive month while self-employment (+12,100) increased after three monthly declines.
- Rotation to full-time continues. While the majority of the gains were in full-time (+15,500), part-time positions also saw a significant increase (+10,800). Since December 2016, Alberta has added 45,800 full-time and 9,200 part-time jobs.
- Balanced sector gains. Both the goods (+12,200) and service (+14,200) sectors posted strong monthly gains. Employment increased in all the goods-producing industries led by natural resources. Meanwhile, the gains in the service sector were concentrated in accommodation and food services (+8,900) and other services (+4,800). Over the last year, the gains have been balanced between the goods (+27,800) and service (+27,100) sectors.
- Earnings pause in October. Average Weekly Earnings (AWE) eased down 0.1% in October to $1,143. Compared to a year ago, earnings were up 3.5%, the largest year-over-year gain since January 2015.

Canada

- Large back-to-back employment gain. Canadian employment grew by 78,600 in December, nearly matching November's gain which was the largest monthly increase in more than five years. Employment increased in all provinces, with Quebec (+26,900) and Alberta (+26,300) leading the way.
- Unemployment rate drops to a 43-year low. The Canadian unemployment rate fell 0.2 percentage points to 5.7%, the lowest level since November 1974.
- Canadian earnings edge lower. Although Canadian AWE ticked 0.1% lower in October to $983, it was 3.1% higher than a year ago.

Employment Growth by Province, December 2017 vs. December 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,372,500
month-over-month change	26,300
year-over-year % change	2.4%
Month that previous high (Jul. 2014) was reached	6 mth
Edmonton UR**	7.0%
Calgary UR**	7.0%
Participation Rate	72.5%
Average Weekly Earnings (AWE)	$1,143.46
year-over-year % change	3.5%
Average Hourly Wage	$30.16
year-over-year % change	3.2%
Job Vacancy Rate***	3.0%

Source: Statistics Canada

* All data is from the December 2017 Labour Force Survey, except AWE which is the October 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for September 2017.

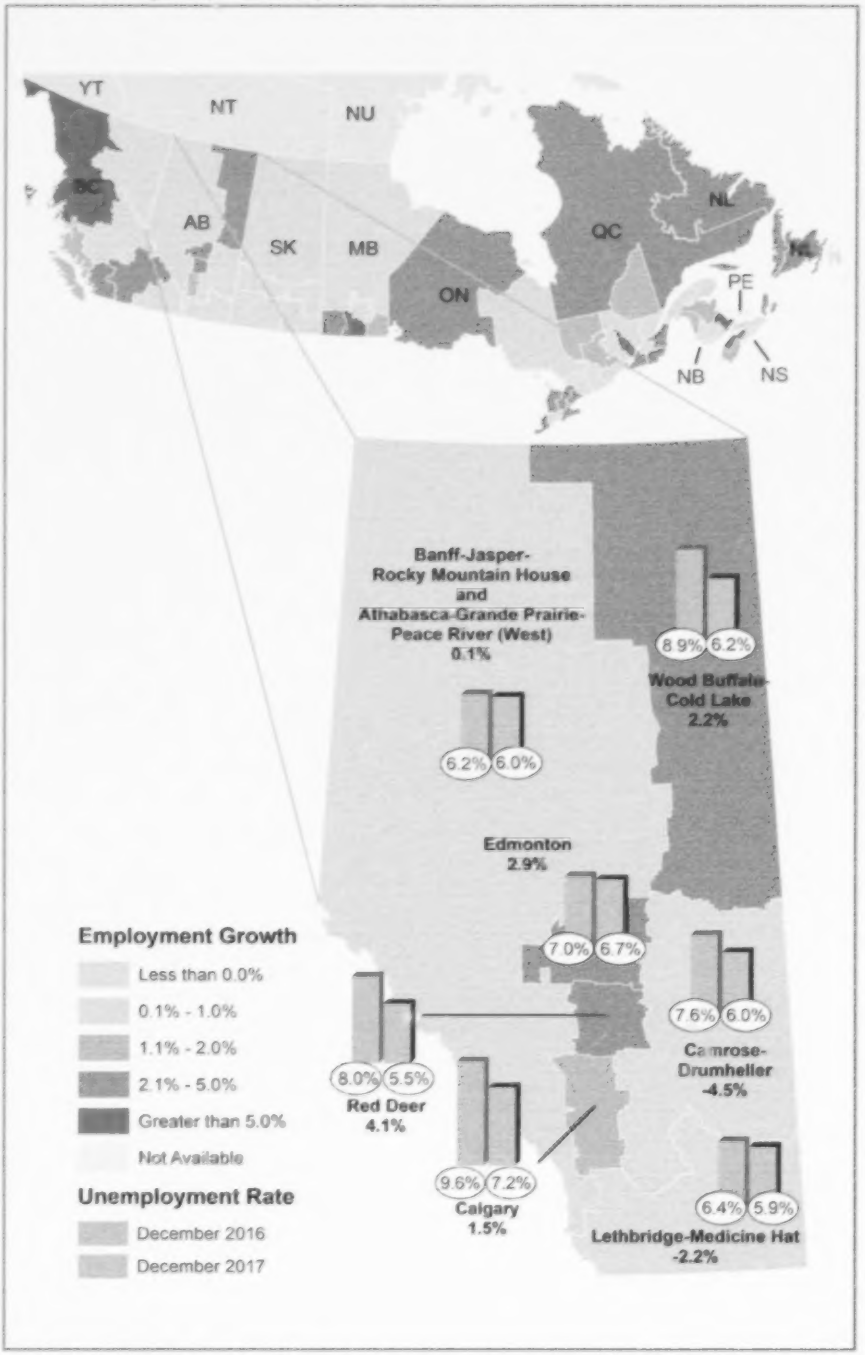
** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Regional labour market indicators

	2015	2016	2017
Alberta			
Population			
Labour Force			
Employment			
Unemployment Rate			
Calgary			
Population			
Labour Force			
Employment			
Unemployment Rate			
Edmonton			
Population			
Labour Force			
Employment			
Unemployment Rate			
West			
Population			
Labour Force			
Employment			
Unemployment Rate			
Lethbridge - Medicine Hat			
Population			
Labour Force			
Employment			
Unemployment Rate			
Red Deer			
Population			
Labour Force			
Employment			
Unemployment Rate			
Camrose - Drumheller			
Population			
Labour Force			
Employment			
Unemployment Rate			
Wood Buffalo - Cold Lake			
Population			
Labour Force			
Employment			
Unemployment Rate			

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada

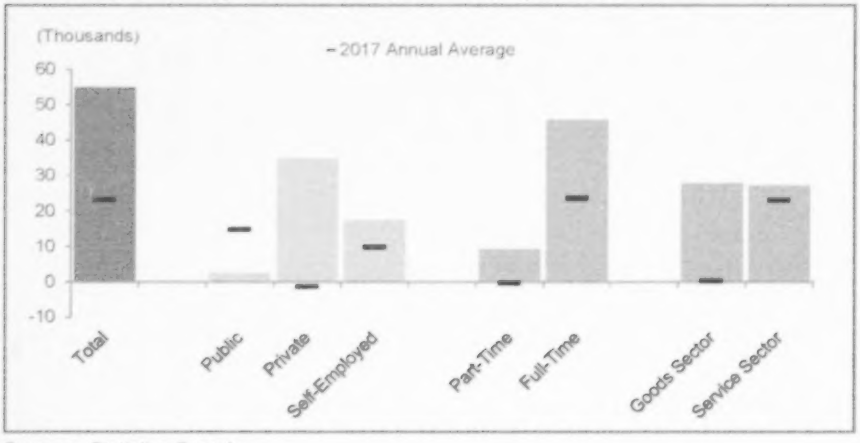
Labour market moves forward in 2017

Alberta's labour market improved in 2017 as the economic recovery solidified. Employment grew by 1.0% while earnings picked up and the unemployment rate moved down in the second half of the year. This Labour InSight looks at the trends in Alberta's labour market in 2017.

Underlying strength in the labour market

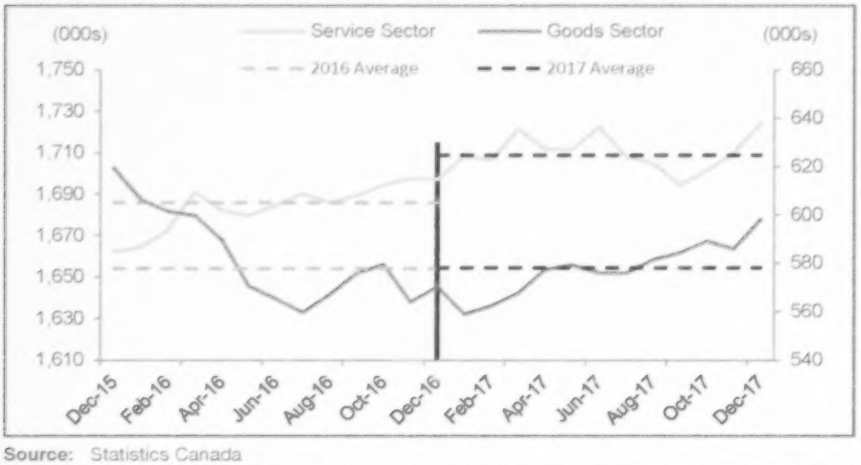
The labour market continued to recover in 2017. Average annual employment increased by 23,100 after falling by 37,300 in 2016. All of the gains were in full-time positions which were partly offset by part-time losses. This ongoing rotation from part-time to full-time moderated the overall employment gains in 2017. Within the year, Alberta added 54,900 with self-employment and the private sector responsible for nearly all of the gains (Chart 1).

Chart 1: Alberta employment ends 2017 on strong footing
Year-over-year change in December 2017 employment levels



Source: Statistics Canada

Chart 2: Momentum shifts to the goods sectors
Employment in goods and service sector



Source: Statistics Canada

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Momentum in goods sector

As the recovery took hold, the momentum in goods sector employment accelerated. Most the gains were in the hard-hit manufacturing and resource sectors. Despite the steady improvement throughout the year, annual employment in the goods sector was virtually unchanged in 2017 as the gains failed to offset the weakness entering 2017 (Chart 2). Conversely, even though employment in the service sector held steady in the second half of the year, solid gains in early in the year boosted annual employment.

Wages pick up

After stagnating in 2016 and the first half of 2017, wages started to increase. The province's average hourly wage increased by more $1/hr in the last five months of the year. The gain in wages was supported by the ongoing employment growth in the goods sector and increases in full-time positions, which also lifted hours worked. With the recent strong growth in wages and hours worked, AWE increased 3.5% year-over-year in October, the largest gain since January 2015.

Unemployment rate responds

With slowing growth in the labour force and an easing participation rate, the unemployment rate moved significantly lower in 2017. It fell 1.9 percentage points through 2017 to finish the year at 6.9%. Even with the significant drop, the unemployment rate remains well above the historical average.

Contact

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